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E.O. 12958: N/A

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SUBJECT: BLUE LANTERN: VERIFYING BONA FIDES OF REGISTERED BROKER
CHAE-YOUNG PARK - CASE NO. K-0697

REF: A) STATE 99528

11. (U) Per reftel, Post verified the bona fides of registered broker Park Chae-young, President of Kyung Hee Trading.

12. (U) Park and the Defense Acquisition Procurement Administration (DAPA) confirmed to Post that the company is a DAPA-registered supplier of defense articles such as heating ventilation air conditioner, switchboard parts and inertial measurement units. Kyung Hee Trading was founded in 1986 dealing with general trading services. Its major business activity is serving as a sales agent for U.S. exporters to Korea of defense items and business promotion on behalf of these U.S. companies. It is located at 808-B, HongWoo Building, 43-3, Yoido-dong, Youngdeungpo-Gu, Seoul, 150-889, Korea.

13. (U) The company said it does not have a secured storage facility for USML items because it only serves as a broker on behalf of U.S. exporters of these items. All imported USML items are directly delivered to Korean clients who maintain secured storage facilities.

14. (U) Kyung Hee Trading has eight employees. Park Chae-young, the president, spent twenty years in the Republic of Korea's (ROK) Navy. The company's other main principals are Kim Song-tuk, senior consultant and retired vice admiral with thirty years in the ROK Navy. Prior to joining Kyung Hee Trading, Kim served as ROK Ambassador to the United Arab Emirates. Kim Il-kyu, vice president, graduated from the ROK Naval Academy, retired from the ROK Navy as a captain in 1993, and joined the company in 2003. Noh Hyun-suk, executive director, worked for Hanjin Heavy Industries, the largest ROK-based shipbuilder, for approximately ten years before joining Kyung Hee Trading. Finally, before joining Kyung Hee Trading as Marketing and Sales director in 1996, Yeom Kwang-yeol is a retired ROK Navy Lieutenant Commander.

15. (U) Kyung Hee Trading's main clients include: DAPA; Hyundai Heavy Industries located in Ulsan, South Korea; Daewoo Shipbuilding and Marine Engineering, the second largest Korean shipbuilder situated in Geoje city, South Korea; Hanjin Heavy Industries located in Busan, South Korea; LIG Nex1 located in Seoul, South Korea; HI Air Korea located in Gimhae, South Gyeongsang Province; and Daeyang Electric situated in Busan, South Korea.

16. (U) Park informed Post that Kyung Hee Trading has been a registered broker with the PM/DTCC since 2003. The company is now in the process of renewing its registration as requested by the PM/DTCC and will submit the required documents for renewal by October 30, 2009. Park said the company is fully aware of the importance of the restrictions of USML sensitive items and the prohibitions of retransfers or re-exports of such items and technology. ICE Attache has also verified that the company has neither criminal record nor derogatory information.

17. (U) This investigation was conducted via telephone and email. A

site visit was not possible due to resource constraints. Additional documentation will be sent separately by email.

STEPHENS